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July 17, 2013

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HAND DELIVERY

Utah Division of Water Rights
1594 W. North Temple, Suite 220
PO Box 146300
Salt Lake City, UT 84114-6300

Re: Deseret Generation & Transmission: Request for Extension (WR #49-258)

Dear Madam or Sir:

Please find enclosed a Request for Extension of Time to File Proof of Beneficial Use for water right number 49-258. A check for \$150.00 is also enclosed to cover the filing fee for the Request for Extension.

Please do not hesitate to contact me at (801) 428-6314 if you have any questions. I appreciate your help on this matter.

Sincerely,
Stoel Rives LLP

A handwritten signature in black ink that reads 'R R Hall'. The signature is written in a cursive, somewhat stylized script.

Richard R. Hall

Enclosures

**Attachment to Request for Extension of Time
Water Right No. 49-258 (A36730)**

This request for an extension of time for Water Right 49-258 (the "Water Right") is initiated by Deseret Generation and Transmission Cooperative ("DG&T") in connection with its current operations and future expansion at the Bonanza Power Plant project in Uintah County, Utah. DG&T is a regional generation and transmission wholesale electrical cooperative, supplying the power requirements of its six member retail systems and other wholesale electric systems in five states. DG&T has recently acquired Water Right 49-258 in order to secure sufficient water rights for the expansion of its Bonanza Power Plant to meet the reasonable future electrical requirements of its customers. As a wholesale electrical cooperative, pursuant to Utah Code § 73-3-12(4), DG&T requests that the proof due date for the Water Right be extended until July 31, 2025.

With the acquisition of Water Right 49-258, DG&T currently holds 45 cubic feet per second ("cfs") of water rights for use at the Bonanza Plant. The Bonanza Power Plant currently consists of a single, 500 MW coal-fired generating unit ("Unit 1"). The 15 cfs-water requirement for Unit 1 is currently supplied from DG&T's water right 49-225. The electricity produced by Unit 1 is currently fully subscribed, with no additional electric generation capacity to serve future growth within the Uintah Basin and DG&T's service territory.

The recent Uintah Basin Energy and Transportation Study (dated February 8, 2013) prepared by the Utah Department of Transportation predicts significant growth in the natural resources sector (including crude oil, natural gas, oil shale and oil sands) within the Uintah Basin over the next 30 years. This growth will significantly increase the demand for electricity within the Uintah Basin. Additionally, the Los Angeles Department of Water and Power has recently announced (March 19, 2013) its intent to transition the Intermountain Power Plant ("IPP") in Delta, Utah from a 1,600 MW coal-fired facility to a significantly modified project, most likely a smaller generating resource such as a 1,200 MW gas-fired facility, and to complete the transition by 2025, resulting in a 400 MW reduction in generation at IPP. The resulting reduction in IPP generation entitlement among the Utah electric cooperatives, as well as reduction in similar generating entitlement among other Utah and western region utilities, is likely to create the need for yet additional sources of base-load electricity for supply to utilities operating within DG&T's member service territories and elsewhere within the region.

In order to meet growing demand for electricity resulting from the rapid growth within the natural resources/industrial development sector, as well as the continuing growth of communities within DG&T's (and its cooperative members') service territory, and to account for the reduction in generation capacity from the IPP project, DG&T anticipates that a second 500 MW generating unit will be constructed and put into operation within the next 5 to 15 years, and a third generating unit will thereafter be needed within the next 15 to 25 years. It is anticipated that the operation of each of these generating units will require up to an additional 15 cfs of water, resulting in a total water demand at the Bonanza plant of approximately 45 cfs. Additional water rights may also be required in the future by DG&T to supply water for ancillary operations related to the Bonanza Power Plant. DG&T will pursue the acquisition of such additional rights in the future as needed.

Furthermore, other entities are pursuing the possible development of additional natural resources and industrial operations in the vicinity of the Bonanza Plant site. In addition to direct water usage at the Bonanza Plant, DG&T anticipates that any remaining water allowed for diversion from DG&T's water rights may be put to beneficial use in one or more of these development endeavors.

1. Construction completed to date:

Water Right 49-258 is one of the three primary water rights dedicated to DG&T's 23-mile long water delivery system from the Green River to the Bonanza Power Plant (the "Delivery System"). Constructed in 1985, the Delivery System has a current transport capacity of 35 cfs. The Delivery System currently withdraws water from the Green River (near Jensen) through three (3) alluvial collector (Ranney-type) wells and transports the water via a 36-inch-diameter pipeline to the Bonanza Plant site.

2. Work completed since last extension:

In October 2012, DG&T acquired the Water Right from EAO Real Estate Corporation. The current points of diversion for the Water Right are along the White River, which due to significant flow fluctuation, is not considered by DG&T to be a reliable source of water for the Bonanza Project. In order to ensure reliable withdrawal flows, as well as to utilize the existing Delivery System, in February 2013, DG&T filed a change application to establish new points of diversion near its existing alluvial collector wells along the Green River. The change application also requests that the Bonanza Power Plant site be identified as an approved place of use for the Water Right. The change application is currently pending.

In order to meet the future demand for water, DG&T, in conjunction with Enefit American Oil, is currently preparing for the expansion of the Delivery System. In connection with the pending change application, DG&T is currently in the process of identifying suitable locations for additional alluvial collector wells near the existing wells along the Green River. In addition, DG&T is currently in the design phase for the expansion of the collector system capacity to accommodate the projected increased demand in the next several years. It is anticipated that the collector system expansion, including new well installation at the proposed points of diversion along the Green River, will be completed by 2016.

3. Reason why the project has not been completed:

As noted, the Delivery System was completed in 1985 in conjunction with the construction and operation of Unit 1 of the Bonanza Power Plant, and currently has a transport capacity of 35 cfs. With DG&T's recent acquisition of the Water Right, DG&T intends to proceed with the expansion of the supporting well collector system in order to accommodate anticipated future expansion of electric generating facilities at DG&T's Bonanza Power Plant site. The increased collector capacity of the Delivery System will also serve to provide additional water availability for other potential developments in the vicinity of the Bonanza Plant site.

4. Estimated time for completion of project:

As noted, it is anticipated that the collector system expansion will be completed in 2016. As outlined above, the expansion of the Bonanza Power Plant site is anticipated to proceed in phases over the next 25 years. Additional third party development and expansion is also anticipated in the vicinity of the Bonanza site over the next decade.